THE IMPACT OF THE SERVICES QUALITY OF BANKING TO

CUSTOMERS DEALING WITH BANKS

SUAAD ABDULFATAH MOHAMMED

Financial and Banking Technology Department / Technical University of the Middle / Iraq

ABSTRACT

This study aimed to identify the impact of the quality of banking services on the customers dealing with the bank. this quality is measured through five dimensions by (Zeithmal &bitner 2000, Lovelok & wirtz 2013) which are Tangibility , Reliability, Responsiveness Assurance, Empathy)

In this study, six hypotheses have been placed. five related to these dimensions mentioned above, and the sixth hypothesis concerning the interaction of customers with the bank . In order to achieve that, a questionnaire was designed consisting of 20 questions. it was chosen a simple random sample of the bank's customers made up of 344 customer and a statistical analysis was conducted through the use of the Arithmetic mean, person correlation coefficient and sample T-test.The study results showed that there is a strong relationship between Responsiveness and Deal with the bank with correlation coefficient 0.697 comparing with the dimensions of other banking services. the weakest relationship was between Empathy and Deal with the bank with correlation coefficient 0.177, therefore the researcher found that the banking employees should give a great importance for Responsiveness As greatly affect the deal with bank.

KEYWORDS: Banking Services , Customers ,Bank

Original Article

INTRODUCTION

Banks seek to provide high quality services, commensurate with the needs and desires of customers and in conformity with their expectations. Banks are aware that the quality of their services play a big role in attracting customers to them and pushing them away from other competitors. This quality of services and positive dealing with costumers will contribute to an increased market share and enable the Bank to achieve profitability in the long run.

The process of providing banking services with required quality is facing many problems due to the lack of service tangibility, which requires training, preparation and rehabilitation of workers and use of goods that contribute to the production. At the same time, an increase in the number of bank customers directly affects the performance of employees and the quality of the services they provide, as well as the capacity and the behavior of employees, And the time of their submission.

The quality of banking services affects the mood of customers and their behavior; (Al samydai and Rodaina , 2010)refer that the lack of homogeneity of services is one of the problems faced by workers in the field of services in general. The concept of service and quality in general and the quality of banking services in particular, got the attention of workers in the field of services and marketing because the service is a business or activity offer from a party to another party without have anything concrete (Kotler & Kelle 2013). The intangible services present

a problem in measuring the quality of workers in this area.

Parasuraman, Zeithaml, and berry 2006 defined this type of service such as: acts and operations, performance, represent an intangible entity which cannot be seen or touched, and produced and consumed at the same time, this is what distinguishes it from tangible goods. These services are not homogenous and change in its nature and lacking in consistency, And this naturally affects the quality.

(Lovelock & Wirtz, 2013) indicates that the beneficiary of the service does not get something tangible, And it cannot be stored because it is produced and consumed at the same time. The consumer gets a range of benefits and that these benefits are affected by the nature of the given and the beneficiary and the work-intensive process, making it difficult to control the quality of service, including banking services.

While (Kotler & Armstrong,2013) indicate that That when the customer gets what he expects to get he will be satisfied and if it does not get what he expected, he will be dissatisfied. And if he got more than he expected he will be happy, This will affect the level of customers dealing with the bank, where the customer whenever achieved saturation and satisfaction, will be more constant in dealing with the bank.

Parasuraman et al (1990) find that the quality of service depends on the:

• Reliability • response • efficiency • courtesy • credibility • Security • Access • Communications • ensure understanding and empathy and intangible assets, And the service organization's ability to recognize the expected benefits, which seeks to get the beneficiary of the service, And work to meet what is expected of the beneficiary of the service obtained from benefits and work to respond to their requests.

(Grönroos ,2007) study was based on the quality of service to the customers compared to expectations, and their experience of the service they received, based on the technical quality, the way it is presented and delivery service.

The SERVQUAL service quality model presented by 'Parsu' Parasuraman, Valarie Zeithaml and Len Berry, in 1988 Which set the dimensions of the quality of service in (Competenceو Courtesy, Credibility, Security , Access, Communication, Knowing the customer , Tangibles, Reliability, Responsiveness)

It was then shortened to five dimensions of

Reliability: The ability to perform the promised service dependably and accurately ,

Assurance: The knowledge and courtesy of employees and their ability to convey trust and confidence, tangibles: the appearance of physical facilities, equipment, personnel and communication materials, empathy: the provision of caring, individualized attention to customers, and the responsiveness: the willingness to help customers and to provide prompt service(Zeithmal &bitner 2000, Lovelok 7 wirtz 2004)

And these dimensions will appear in the study model as independent variables which affect the customers deal with the bank

- **Tangibles**: Appearance of physical facilities, equipment, personnel, and communication materials

- **Reliability:** Ability to perform the promised service dependably and accurately

- **Responsiveness**: Willingness to help customers and provide prompt service

- **Assurance:** Knowledge and courtesy of employees and their ability to convey trust and confidence

- **Empathy:** Caring, individualized attention the firm provides its customers

RESEARCH OBJECTIVES

The most important objectives of the research can be summarized as follows:

- Identify the impact of the services quality of banking to customers deal with banks

- Identify the impact of the tangibility to customers dealing with banks

- Identify the impact of the reliability to customers dealing with banks

- Identify the impact of the responsiveness to customers dealing with banks

- Identify the impact of the assurance to customers dealing with banks

- Identify the impact of the empathy to customers dealing with banks

RESEARCH QUESTIONS

- Is tangibility affects customers deal with the bank

- Is reliability affects customers deal with the bank

- Is responsiveness affects customers deal with the bank

- Is assurance affects customers deal with the bank

- Is empathy affects customers deal with the bank

Study Model
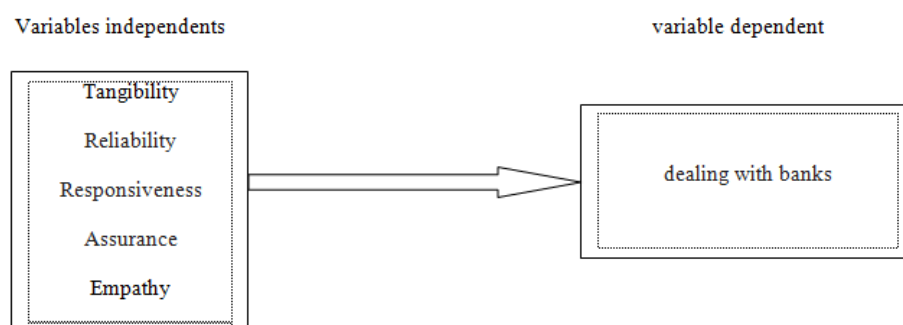
Figure 1: Study Model

LITERATURE REVIEW

The quality of services offered by banks plays an effective role in achieving satisfaction of customers. The satisfaction of bank customers influences their dealings with the bank. (Al-Azzam, 2015) indicates through his study The Impact of Service Quality Dimensions on Customer Satisfaction that the higher the service quality, the more the costumer's satisfaction. The Dimensions of service quality plays an important role in this equation. These dimensions are tangibility, responsiveness reliability, empathy, and security. Finally, the findings indicate that these five factors have positively

affected the customer satisfaction. This research also shows that the service quality is an appropriate tool to measure the quality of service in the banking sector in the Arab bank. Therefore, the banking sector practitioners regard this instrument a very important tool to evaluate, support, and improve the quality of their services (K. Ravichandran 2010) . The service quality variables of tangibility, responsiveness and empathy dimensions play an important role in predicting Customer behavioral intention

Mei Lau, Ronnie Cheung, Aris Y. C. Lam,& Yuen Ting Chu(2013) had found that for each of The results indicate that the five SERVQUAL dimensions have a positive influence on customer satisfaction. Tangibility, responsibility, reliability and assurance were more significant in contributing to customer satisfaction, while empathy was the least significant

The study of Shafiq et al (2013) evaluate the hotels' service quality through customer satisfaction in the hotels of

Faisalabad, Pakistan. The results indicates that in Pakistan among the five dimensions of SERFPERF the dimension tangible and empathy needed to be focused . Service quality is considered an evaluation between service prospect and what actually has been received (Parasuraman et, al., 1985) and Akroush (2008) also pointed out that service quality is the result of the comparison made by customers about what they feel service firms should offer, and perceptions of the performance of firms providing the services,Lee and Lin (2005) concluded that trust is the most important dimension of e-service quality, followed by reliability, responsiveness, website design and personalization,(Zaim et al ,2010) find out that tangibility, reliability and empathy are important factors for customer satisfaction.

METHODOLOGY

Data Source

The current study methodology is mainly based on two types of data sources:

- The secondary sources, data and information obtained from reviewing the literature

- Primary Sources: Pertaining to data collection through the development and design of an initial questionnaire that was distributed to27 individual, to determine the factor influencing dealing with banks

According to the results of this preliminary study and the literature review, it has been drafted (the final questionnaire) and evaluated by many specialists in marketing and e-marketing, especially electronic promotion. The final form includes 27 questions which were distributed to (6) dimensions.

The Scale and Diminutions

The scaling technique adopted by this study is considered one of the main instruments of current marketing research Malhotre et al 2004) and is most commonly used for assessing how people feel or think about objects or constructs (Neuman 2003). Having taking into consideration the criteria for selecting a scaling technique (Al samydai et al 2013), for example, information needed by the study and the characteristics of the respondent as well as the model of administration (Al Samydai et al 2014) (Alrin et al 2003), the quintet (Likert) Scale was chased for the current study. Therefore all the focal constructs of the current study user measured on quintet/ likert). Scale range from: Strongly agree (5) agree (4) neutral (3) disagree (2) strongly disagree (1)

RESULTS

Test of Reliability

A reliability coefficient of (Cronboach's Alpha) 70% or higher is considered "acceptable in most social research.

The result of this test in the current study is 79% as in table 1

Table 1: Reliability Coefficient

No. of Cases	Cronboach's Alpha	No. Itame
344	.8644	27

Result General

By using descriptive analysis determined that the of all questions are over the midpoint (3) except for the questions (19, 20, 27, 28), this results show in table 2

Table 2: Descriptive Statistics and one-Sample T-Test of the Independent Variable: Tangibility

The First Dimension: Tangibility	Mean	Std. Dev	T Value	Sig
1- You find that the use of modern equipment and devices in the provision of banking services increases the quality	3.6948	1.31923	9.768	0.000
2- Exterior of employees in the bank contributes to raising the quality of service	3.8372	1.28104	12.121	0.000
3- The internal arrangement of the Bank affect the evaluation of the quality of service provided	2.2500	1.32315	-10.513	0.000
4- Bank building impact on the evaluation of the quality of banking service	3.0174	1.65183	.196	.845
H01 ;	3.1999	88652	4.181	0.000

By using descriptive analysis determined that the mean of the H1(3.1999)is over the midpoint (3) ,and the value of One-Sample T-Test(4.181) is over 1.96 , and the value of Sig is 0.000 is less 0.05 , this indicates that the reliability impact on customers deal with the bank.

Table 3: Descriptive Statistics and one-Sample T-Test of the Independent Variable: Reliability

The Second Dimension: Reliability	Mean	Std. Dev	T Value	Sig
5- fulfilling the bank promise can enhances the quality of service it provides	3.6977	1.11778	11.576	.000
6- The ability of workers to instil confidence among customers will increases the quality of service offered by the Bank	3.8837	1.07631	15.228	.000
7- Follow up the bank employees to the request of customers will enhance the quality of services provided	2.6744	1.70023	-3.552	.000
8- Provide the bank employees the service accuracy and reliability will increases the quality	4.2413	1.14918	20.034	.000
H02	3.6243	.82949	13.959	.000

By using descriptive analysis determined that the mean of the H2(3.6243) is over the midpoint (3) ,and the value of One-Sample T-Test(13.959) is over 1.96 , and the value of Sig is 0.000 is less 0.05 , this indicates that reliability impact on customers deal with the bank.

Table 4: Descriptive Statistics and one-Sample T-Test of the Independent Variable: Responsiveness

The Third Dimension: Responsiveness	Mean	Std. Dev	T Value	Sig
9- Rapid response to the requests of customers will contributes to raising the quality of banking service	4.0959	.92556	21.961	.000
10- Provide information to customers increases the quality	4.0291	.96243	19.832	.000

of the bank service provided			
11- Assist customers to solve problems they face quickly increases the quality of banking services offered	3.9593	.91860	19.369	.000
12- Answer all the questions customers increase the quality of banking services offered	2.9041	1.57220	-1.132	.259
H03	3.7471	.78176	17.725	.000

By using descriptive analysis it was determined that the mean of the H3 (3.7471) is over the midpoint (3) ,and the value of One-Sample T-Test(17.725) is over 1.96 , and the value of Sig is 0.000 is less 0.05 , this indicates that the Responsiveness

Impact on customers deal with the bank.

Table 5: Descriptive Statistics and one-Sample T-Test of the Independent Variable: Assurance

The Fourth Dimension: Assurance	Mean	Std. Dev	T Value	Sig
13- Giving Attention to the customers will increase the quality of banking services offered	2.7849	1.51194	-2.639	.009
14- Notice of safe and secure to customers will increase the quality of banking services offered	3.5930	1.17434	9.366	.000
15- Sincere dealing with customers increases the quality of banking services offered	3.8547	1.04802	15.125	.000
16- The good reputation of the bank give a good impression about the quality of the services it provides	4.4651	.68635	39.592	.000
H04	3.6744	.83546	14.972	.000

By using descriptive analysis determined that the mean of the H4 (3.6744) is over the midpoint (3) ,and the value of One-Sample T-Test(14.972) is over 1.96 , and the value of Sig is 0.000 is less 0.05 , this indicates that the Assurance impact on customers deal with the bank.

Table 6: Descriptive Statistics and one-Sample T-Test of the Independent Variable: Empathy

The Five Dimension: Empathy	Mean	Std. Dev	T Value	Sig
17- Personal attention to customers contribute to enhancing the quality of banking service provided	4.1919	2.39127	9.244	.000
18- speaking the Bank employees in understandable language enhances the quality of services provided	3.1919	1.53799	2.314	.021
19- Having the employees of bank an integrated information will play an important role in meeting the demands of customers and raising the quality of services provided	4.3227	.88917	27.590	.000
20- Ease of contact with workers in the bank enhances the quality of services provided	3.7994	1.21358	12.218	.000
H05	3.8765	.75133	21.636	.000

By using descriptive analysis determined that the mean of the H5 (3.8765) is over the midpoint (3) , the value of One-Sample T-Test(21.636) is over 1.96 , and the value of Sig is 0.000 is less 0.05 , this indicates that the Empathy impacts on customers dealing with the bank.

Table 7: Descriptive Statistics and one-Sample T-Test of the Dependent Variable: Dealing with the Bank

The Dependent Variable: Dealing with the Bank	Mean	Std. Dev	T Value	Sig
\21- Tangibility (the internal arrangement of the Bank's equipment and devices) have an important role in influencing the customers dealing with the bank	3.7907	1.20123	12.209	.000

Table 7: Contd.,				
22- Appearance of employees play an important role in influencing the customers dealing with the bank	4.1076	1.01450	20.249	.000
23- Reliability and the fulfillment of the promises affect customers dealing with the bank	3.8314	1.01047	15.260	.000
24- Rapid response to the requests of customers affect their dealings with the bank	3.6076	1.28006	8.803	.000
25- Help customers and provide them with the information they seek to get them affect customers dealing with the bank	3.7645	1.20728	11.745	.000
26- Customers feeling of safe and secure affects the customers dealing with the bank	3.6250	1.41073	8.217	.000
27- Personal attention to customers and ease of communication with workers affect the bank's dealings with the bank	3.9651	1.10602	16.184	.000
H06: the dealing of the bank	3.8131	.90638	16.639	.000

The results of the analysis of impact of the independent variables on the dependent variable shows us that all the means of independent variables is over the midpoint (3) and ,and the value of One-Sample T-Test is over 1.96 ,and the Sig less than 0.05. This is consistent with previous findings that

Dimensions of service quality impact the customers dealing with the bank.

Correlations

Table 8

Hypothesis	H1	H2	H3	H4	H5	H6
H1	1	.304(**)	.373(**)	.390(**)	.154(**)	.466(**)
H2	.304(**)	1	.713(**)	.556	-.034	.530(**)
H3	.373(**)	.713(**)	1	.556(**)	.149(**)	.697(**)
H4	.390(**)	.556(**)	.584(**)	1	-.080	.681(**)
H5	.154(**)	-.034	149(**)	-.080	1	.177(**)
H6	.466(**)	.530(**)	.697(**)	.681(**)	.177(**)	1

** Correlation is significant at the 0.01 level (2-tailed).

In order to test relationship between the components of the study model, person correlation coefficient refers to the existence of a positive relationship between the components of the study model.

DISCUSSIONS AND CONCLUSIONS

The objective of the current study was to evaluate the impact of the services quality of banking to customers dealing with banks.

The study model has been developed based on dimensions of quality of service (tangibility, reliability, responsiveness, Assurance, Empathy).

The sample's answers showed that in general banking service quality impacts on the customers dealing with the bank, and The good reputation of the bank gives a good impression about the quality of the services it provides. such Ranked first in the influence of the questionnaire's questions where it was the center) 4.4651). however, among the questions that respondents believed that have no effect on the deal with the bank are:

The internal arrangement of the Bank affect the evaluation of the quality of service provided, Follow up the bank employees to the request of customers will enhance the quality of services provided, Answer all the questions customers increase the quality of banking services offered and Giving Attention to the customers will increase the quality of banking

services offered, because the mean of these questions was less the midpoint (3)

The analysis of, person correlation coefficient refers to the existence of a positive relationship between the components of the study model, the independent variable .

the relationship between the responsiveness and the deal with the banks was the highest value of the coefficient of correlation (0 .697) This is consistent with a study (K. Ravichandran 2010,)

Which is indicate that responsiveness play an important role in predicting Customer behavioral intention

The service quality variables of tangibility, responsiveness and empathy dimensions play an important role in predicting Customer behavioral intention Also Chu(2013) study indicates that the five SERVQUAL dimensions have a positive influence on customer satisfaction. Tangibility, responsibility, reliability and assurance were more significant in contributing to customer satisfaction, while empathy was the least significant, however this is not consistent with the results of this study, which showed that the Empathy was weak in influencing the consumers dealing with the bank.

this study showed that the relationship between Empathy and deal with the bank was weak (, person correlation coefficient is 0.177) The results of this study have differed with the results of (Zaim et al ,2010) study Which showed that the property Empathy impacts on customer satisfaction.

REFERENCES

1. *Zeithaml, V.A., & Bitner M. J. (2000). Services Marketing (2nd ed.). New York : McGrawHill. Inc.*

2. *Christopher H Lovelock &Wirtz(2013) Services Marketing: People, Technology, Strategy7 th Edition.*

3. *Al samydai Mahmood Jasim and Rodaina Othman Yousif,(2010) .Marketing services.Dar Al Massera . Amman .Jordan.*

4. *Kotler Phili &, Keller Kevin Lane (2013) Marketing Management .14th Edition. Grada Publishing.*

5. *Kotler Philip & Armstrong Gary (2014) , Principles of Marketing . Prentice Hall.*

6. *Parasuraman and Grewal,(2006) "Serving Customers and Consumers Effectively in the Twenty-First Century: A Conceptual Framework and Overview," Journal of the Academy of Marketing Science, Winter 2000, Vol. 28, No. 1, pp. 9-16..*

7. *Parasuraman, A Zeithaml, V.A.,,. and Berry, L.L. (1990), Delivering quality service; Balancing customer perceptions and expectations, The Free Press, New York, NY.*

8. *Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1988), "SERVQUAL: a multi-item scale for measuring consumer perceptions of the service quality", Journal of Retailing, Vol. 64, No. 1, pp. 12- 40..*

9. *Akroush, M.N. (2008) Exploring the mediating effect of service quality implementation on the relationship between service quality and performance in the banking industry in Jordan, Global Business and Economics Review, 10(1), 98-122.*

10. *Yasir Shafiq,Imran Shafi ,Muhammad Saadat Din ,and Khaliq Ur Rehman Cheema(2013) The impact of services quality on customer satisfaction : A Study of Hotel Industry of Faisalabad Pakistan. International Journal of Management & Organizational Studies VOLUME 2 , ISSUE 1ISSN: 2305-2600.*

11. *Abdel Fattah Mahmoud Al-Azzam Assistant Professor, Head Department of Marketing, Zarqa University, Jordan, Address: P.O.Box 132222 - Zarqa 13132 Jordan,Faculty of Economics and Administrative Sciences, Zarqa University, Jordan.*

12. *K. Ravichandran (2010) Influence of Service Quality on Banking Customers' Behavioural Intentions. International Journal of Economics and Finance Vol. 2, No. 4; November 2010. K. Published by Canadian Center of Science and Education.*

13. *A Hong Kong Mei Mei Lau, Ronnie Cheung, Aris Y. C. Lam,& Yuen Ting Chu(2013) Measuring Service Quality in the Banking Industry: A Hong Kong Based Study. Contemporary Management Research Pages 263-282, Vol. 9, No. 3.*

14. *Jayaraman Munusamy, Shankar Chelliah and Hor Wai Mun(2010)-Service Quality Delivery and Its Impact on Customer Satisfaction in the Banking Sector in Malaysia. International Journal of Innovation, Management and Technology, Vol. 1, No. 4.*

15. *Malbotra, N.K. (2004), Marketing Research: an Applied Orientation (4th Ed.), Upper Saddle, Rive, N. J Prentice Hall. 15.*

16. *Neuman, W.I. (2003), Social Research Method Quantitative Approaches (5th Ed.), Toronto, Alyn and Bocon..*

17. *Alrin C.B & Ronald, F.B. (2003) Marketing Research: Online Research Applications, Upper Saddle River, N, S. Prentice 2.*

18. *Alsamydai, M.J., Rudaina, A. Y., Al-Qirem, I. A. (2013), Measuring Individual Attitude towards Arabic – Speaking TV Channels and the Impact of These Channels on Current Event, International Journal of Business and Management, 8(1), 73-88.*